



Market Report

April 2018

COMMODITY AND SHIPPING MATTERS IN THE NEWS:

TRADE DISPUTES POSSIBLE POSITIVE FOR PALMS

The ongoing trade conflict between the USA and China could turn out to be positive news to Indonesian and Malaysian palm oil producers according to an Indonesian analyst reports. China has threatened to retaliate against US tariffs on Chinese steel and aluminum by setting its own duties on US agricultural imports, including soybeans, which could impact palm oil products. According to reports, the higher soybean prices resulting from the duties could cause Chinese consumers to shift to palm oil products. In 2017, China took in 93.5M tonnes of soybeans, equaling 64% of total global soya exports, while the USA was the largest soybean producer in the same year with a total production of 116.9M tonnes. US soya production was projected to increase to 119.5M tonnes in 2018. Yosua Zisokhi, asset management analyst at PT Henan Putihrai, said CPO prices had already begun to strengthen and plantation stock issuers would benefit in the short term with the increase in the average selling price of CPO.

RENEWABLES MANDATE HAS MULTIPLE TARGETS

Indonesia’s Energy and Mineral Resources Ministry intends to increase and expand the biodiesel mandate in order to cut fossil fuel imports and boost the consumption of palm oil in 2018. The ministry is planning to allocate 3.46bn liters for biodiesel in 2018 – up from the previous year’s estimated 2.89bn liters – and expand the biodiesel mandate to cover the Train and the Mining sector. The increased biodiesel usage is intended to reduce Indonesia’s dependence on foreign oil, reduce greenhouse gas emissions and use up surplus palm oil production. The Transportation and Power sectors already had a B20 (20% biodiesel blend) mandate in place and the new rules would set a B5 and B10 mandate for the Rail and Mining sectors.

PALM OIL EXPORT VOLUMES

Palm / mt	Dec '17	Jan '18	Feb '18	Mar '18
Indonesia	2,623,020	2,737,100	2,366,320	-
Malaysia	1,427,425	1,514,201	1,313,136	1,565,317

INCREASES IMPORTS EXPECTED AS ANTI-DUMPING DUTIES LIFTED

EU’s removal of duties on Argentina and Indonesian biodiesel could result in a flood of imports starting in April and the closure of some small producers according to a major German biodiesel producer. German biofuels producer Verbio AG said that the decisions to remove the anti-dumping duties will result in a flood of unfairly priced biodiesel from Argentina and Indonesia. The EU imposed anti-dumping duties on biodiesel imports from Argentina and Indonesia in 2013 but has since faced a series of legal challenges at the European Court of Justice and the WTO. ADM announced on 23 March that it would temporarily suspend production at its 275,000 tonnes/year biodiesel plant in Germany because of increasing cheap biodiesel imports. Argentine and Indonesian biodiesel can be sold in Europe at US\$50-60/tonne cheaper than EU biodiesel producers can buy raw materials such as rapeseed oil before EU production costs are calculated. According to Verbio, EU farmers will lose a huge market for their rapeseed as EU biodiesel is mainly produced from rapeseed oil.

ASSETS VALUES REDUCED AS INTERORIENT SELLS

Interorient is believed to have sold the 37dwt Baltic Champion (2003) for around \$7.6m. This latest deal shows a slight softening of asset values in the sector. Last month the 37dwt Rosa Tomastos (2003) was sold by Greek owner Super-Eco Tankers for about \$8.5m. Interorient has a fleet of around 30 tankers, mostly in the handysize segment with the majority of the fleet built between 2000 and 2006.

BUNKER PRICES (IFO 380)

SINGAPORE	409.50
ROTTERDAM	381.00
HOUSTON	380.50
FUJAIH	409.00

NEW TIMES SCORES A REPEAT ORDER

Navig8 is believed to have doubled an order for 50dwt ships at New Times in China to eight after firming up options. Navig8 is also listed as having two aframax tankers on order at New Times. Delivery of all of the vessels is scheduled for 2019. Navig8 commercial director Jason Klopfer said the group remained committed to its strategy of opportunistic vessel acquisitions that has made it one of shipping’s biggest asset buyers over the past five years. Despite mixed results in the three sectors since 2012 — crude, products and chemicals — the group says its ability to acquire vessels is essential to its identity and distinguishes it from competitors.

LAWSUIT FILED OVER INFLATED NOBLE ASSETS

Noble Group founder Richard Elman resigns amid lawsuit from a top shareholder Goldilocks Investment and US\$39M bond default. Noble also temporarily halted trading on the Singapore Exchange and in the process of seeking a US\$3.4bn debt restructuring. The restructuring had been opposed by some bondholders and shareholders, including Goldilocks Investment. Goldilocks filed a lawsuit against Noble and some of the senior executives claiming they falsely inflated Noble’s assets. Richard Elman who founded the Noble Group in the 1980s, was named among the defendants in the lawsuit filed by Goldilocks. Noble sold 51% of its agricultural unit to COFCO for US\$1.5bn in 2014 and finalized the US\$750M sale of its remaining 49% share to COFCO in December 2015. Noble posted its first annual loss in nearly 20 years on 25 February 2016 – a net loss of US\$1.67bn. Since then, the company’s market value had fallen from US\$6bn to US\$114M amid record losses and shrinking of its businesses.

SOYABEAN OIL EXPORT DESTINATION

Destination	India	Bangladesh	Egypt	Netherlands	China
1Q 2018 Vol	485,465	141,534	61,000	42,664	12,500

NAUVU INVESTMENT HOLDING NOW FULLY WILMAR

Wilmar buys 50% of Olam’s stake in Nauvu for US\$148m. Following the completion of the acquisition, Nauvu is now a wholly-owned subsidiary of Wilmar. Nauvu’s principal activity is investment holding and it was formerly a 50:50 joint venture company between Wilmar and Olam. Nauvu invests in integrated palm oil, natural rubber, and sugar assets in Africa. It also engages in the production and exploitation of crude and refined oil.

EU BIODIESEL DISPUTE THREATENS TRADE DEALS

Malaysia could cancel several trade deals with EU countries, including the purchase of new fighter jets for its military, if the Europe goes forward with planned phase-out of palm oil biodiesel. Malaysia had been looking to replace its older Russian MiG-29 aircrafts with up to 18 new ones, but Defense Minister said the negotiations, which involved at least France and the UK, could be put on hold if the EU palm oil ban was implemented. Malaysia’s Plantation Industries and Commodities Minister also stressed that the EU-Malaysia free trade agreement negotiations could not be picked up again until the palm oil case was resolved. The European Parliament voted in favor of a proposal to remove palm oil-based biodiesel from the EU’s list of sustainable renewable fuels by 2021 in January.

COURT ORDERS LAST TRINITY SHIP TO SCRAP

Third Trinity Ships tanker sold by court after the Namibian high court orders disposal of Greek operator's veteran Palenque I. The 45dwt vessel Palenque I (1992) purchased by NKD Maritime. Previously, a second tanker managed by Trinity was said to be heading towards court sale after being arrested in the Netherlands. The Dalian-built, 35dwt tanker Sea Pioneer (2007) was sold in March. The first Trinity ship to go under the hammer was the 35dwt tanker Huascar (1992). It was also sold in Namibia for \$2.8m, plus \$200,000 for bunkers. Its new owner is Panama-based Peninsula Maritime.

TOP SHIPS SECURES FINANCE FOR 2 MRS

Nasdaq-listed Top Ships has agreed a new \$36m loan to finance its latest two MR newbuildings. The Greek owner said its 50% owned subsidiaries City of Athens Inc. and Eco Nine Inc. had entered into an agreement with European bank to fund the delivery of the 50dwt Eco Holmby Hills and Eco Palm Springs from Hyundai Vinashin in Vietnam. The loan will be payable in 20 consecutive quarterly instalments of \$0.3m per vessel and a balloon payment of \$11.9m per vessel payable together with the last instalment. Eco Holmby Hills was delivered and started a time charter to Clearlake Shipping for 3 years. Following the delivery of the remaining six newbuilding vessels, Top Ship's tanker fleet will have an average age of two years and will consist of 14 high specification newbuilding product and crude oil tankers.

TANKER TC RATES (1 YEAR)

HANDYSIZE (35-38DWT)

LOW MID 12K PD ↘

MR (45-51DWT)

LOW 14K PD →

COFCO STRATEGICALLY SEPARATES OILSEEDS AND GRAIN BUSINESS

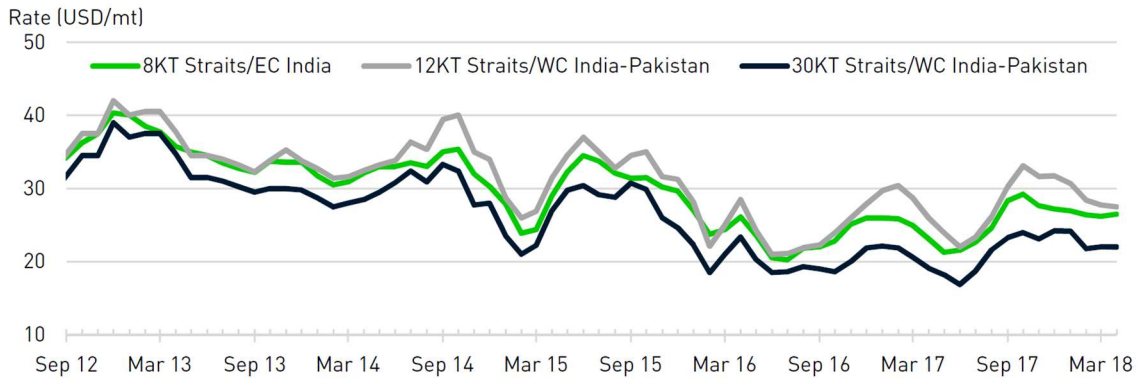
China's state-owned COFCO has appointed several new corporate heads and split its business units in a reshuffle of its global oilseeds and grains operations. COFCO's oilseeds and grains business would now function as two separate divisions. Soybean, meal, vegetable oil and softseeds will be managed by global head of oilseeds, Marcelo Martins. New global head of grains Paul Bateson, joining COFCO from Bunge, would oversee the wheat, barley and corn. COFCO's previous global head of grains and oilseeds, Selina Yang, would take on the newly established role of chief operating officer. COFCO also announced the launch of a new global asset management unit, based in Brazil, and led by Valmor Schaffer. COFCO is active in logistics and commodity markets across the globe, shipping more than 100M tonnes of products globally in 2016.

CAUTIOUS OPTIMISM AFTER REDUCING LOSSES

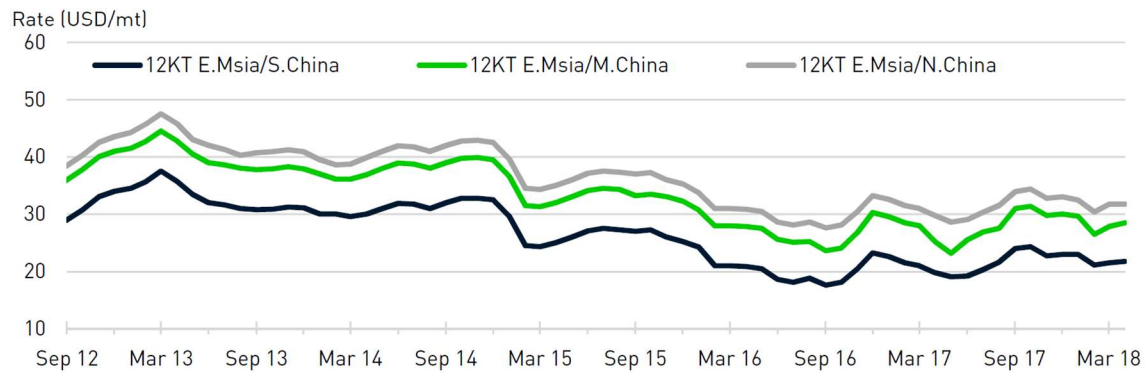
Pyxis Tankers reported a narrower fourth-quarter loss in a challenged market for MR tankers but remains more hopeful on the second half of the year. Pyxis reported a \$1.4m loss for the quarter, translating to a \$0.08 per share loss compare to the \$0.32 loss reported in 2016. Recently Pyxis have time chartered their tonnage to help company to ride out the weak spot market. 50dwt Pyxis Epsilon (2015) fixed to Koch \$16,250 per day and 46dwt Pyxis Delta (2006) fixed to Shell for six months at around \$14,500 per day. Pyxis said that for 2018, they expect chartering activity to continue to be choppy but with a modest upward trend, especially for the second half of the year.

FREIGHT RATE MONITOR:

Palm Oil Freight Rates to India



Palm Oil Freight Rates to China



Palm Oil Freight Rates to EU-Continent



NEW BUILDINGS:
CURRENT ORDERBOOK

<u>OWNER</u>	<u>UNITS</u>	<u>DWT</u>	<u>YARD</u>	<u>DELIVERY</u>
Carl Buttner	1 Unit	41,000	Jiangsu Hantong	Aug 2019
Carl Buttner	3 Unit	41,000	Jiangsu New	Oct, Nov 2019 & Apr 2020
Unknown	1 Unit	17,000	Asakawa	Apr 2019
Unknown	1 Unit	11,500	Asakawa	Jan 2019
IMC Shipping	4 Unit	55,000	CSSC Offshore	Mar, May, Aug, Sep 2021
Unknown	1 Unit	4,400	Hyundai M.D.	Feb 2019
Hin Leong Marine	4 Unit	11,000	Fujian Mawei	Mar, Apr 2019
Utkilen	2 Unit	9,900	AVIC Dingheng	Feb, Jul 2020
Unknown	1 Unit	3,500	Dae Sun	Jan 2019
Hin Leong Marine	2 Units	12,000	Samjin	Aug, Nov 2018
Marnavi	1 Unit	14,000	Wuchang	Nov 2019
IMC	4 Units	55,000	CSSC Offshore	Oct, Dec 2019 & Feb, Apr 2020

LATEST DELIVERIES

<u>VESSEL</u>	<u>DWT</u>	<u>YARD</u>	<u>OWNER</u>	<u>DELIVERY DATE</u>
Nordic Ace	16,000	Usuki	Yamamoto Kisen	Mar 2018
BW Neon	19,999	Fukuoka	BW Group	Mar 2018
Yamabishi Maru No.18	1,250	Koa	Yamane Shipping	Mar 2018
Southern Turkey	17,000	Shitanoe	Sansho Kaiun	Mar 2018
Bow Titanium	24,760	AVIC Dingheng	ICBC Financial	Mar 2018
Golden Bridge Hana	3,546	Dae Sun	Hana Marine	Mar 2018
Chemstar Tierra	21,000	Asakawa	Iino Kaiun	Mar 2018
MTM Amsterdam	21,176	Kitanihon	MT Maritime	Mar 2018
Fuki Maru No. 8	1,000	Maehata	Fuki Kisen	Mar 2018
Pohang Pioneer	6,500	Dae Sun	Heung-A Shipping	Mar 2018
Stream Artic	19,998	Fukuoka	Utkilen	Feb 2018
Fanfare	37,256	Kitanihon	MOL Chemical Tankers	Feb 2018
Forever Harmony	49,948	CSSC Offshore	Sinotrans CSC Group	Feb 2018
Ocean Porpoise	11,998	Zhejiang Shenzhou	Hin Leong Marine	Feb 2018
Eva Bergen	19,700	Usuki	Safemarine Corp	Jan 2018
DH Admiral	8,714	Nantong Tongbao	Shanghai Dingheng	Jan 2018
Sunny Rainbow	12,335	Sasaki	Asahi Stena Tankers	Jan 2018
Balt Flot 19	7,902	Unknown	Balt Flot	Jan 2018
Tiger Integrity	35,000	Kitanihon	Saito Shipping	Jan 2018
E Chemist	3,473	Dae Sun	KSS Line	Jan 2018
Ocean Moray	11,999	Zhejiang Shenzhou	Hin Leong	Jan 2018
Chemroad Sirius	35,000	Shin Kurushima	Iino Marine	Jan 2018
Hodaka Galaxy	26,198	Shin Kurushima	MOL Chemical Tankers	Jan 2018
Global Jupiter	16,381	Higaki	Global Marine Services	Jan 2018
SC Virgo	40,870	Jiangsu Hantong	Bocomm International	Jan 2018

VOYAGE FIXTURES:
PALMS

<u>VESSEL</u>	<u>QUANTITY</u>	<u>LOAD</u>	<u>DISCH</u>	<u>LAYCAN</u>	<u>RATE</u>	<u>NOTE</u>
Suzzanne Victory	31,000	Straits	W.Africa	Early Feb	High 50s	
Bunga Angsana	20,000	Straits	Spain Med	Early Feb	Low-Mid 50s	
Wisby Pacific	20,000	Straits	Spain Med	Early Feb	High 40s	1:2
Emma Victory	42,000	Straits	Adriatic	Mid Feb	Low-Mid 40s	2:3
Star Osprey	39,000	Straits	WCI	End Feb	Low 20s	
Saehan Intrasia	17,000	E.Malaysia	ECI	1H Feb	Mid 20s	
Prime Sun	12,000	Straits	ECI	Mid Feb	Low-Mid 20s	
Saehan Freesia	8,000	Java	M.China	1H Feb	Mid-High 30s	
Yue You TBN	10,000	Kalimantan	M.China	2H Feb	Low 30s	
Champion Cornelia	37,500	Straits	W.Africa	Early Mar	1.85m L/S	3:3
Ardmore Defender	35,000	E.Malaysia + Straits	Med + Cont	1H Mar	Mid 50s	3:4
MTM Fairfield	19,000	Straits	Morocco	Early Mar	Mid 60s	2:3
Zouzou	30,000	Straits	Italy	20-27 Mar	Mid 40s	1:1
Torm Gerd	42,000	Kalimantan Sumatra	Adriatic	Early Mar	Low-Mid 40s	2:3
Ardmore Chippewa	20,000	Straits	Turkey - Taman	Mid Mar	Low-Mid 50s	1:2
Bunga Aster	10,000	Straits	Sharjah - Jubail	Early Mar	RNR	2:2
Turquoise-T	13,000	E.Malaysia	MVKK	2H Mar	High 20s	1:2
OPEC Fortune	18,500	E.Malaysia	ECI	End Mar	Mid 20s	2:2
Golden Ambrosia	12,000	Straits	Chittagong	End Mar	Low Mid 20s	
Oceanic Coral	12,000	Kalimantan	S.China	Early Mar	Mid 20s	1:1
Sunrise Hope	11,000	Straits	China	Early Mar	RNR	
Nordic Ace	16,000	Straits	W.Med-Rott	Mid Apr	Mid 60s	2:2
Champion Trader	38,000	E.Malaysia	W.Med	End Apr	Low 50s	4:2
Brentholmen	15,000	Straits	Spain	Mid Apr	Low 60s	1:1
Stanley Park	18,500	Straits	Med	Mid Apr	Mid 60s	2:2
Ardmore Dauntless	35,000	Straits	Med	Early Apr	High 40s	3:2
Stanley Park	18,500	Straits	Med	Early Apr	Mid 60s	2:3
Mehmet A	8,000	E.Malaysia	BSea-Constanta	End Apr	Low 50s	
Nanlian 006	11,000	Straits	ECI	Mid Apr	Low-Mid 20s	
Bertina	12,000	Straits	Chittagong	1H Apr	Mid 20s	
Golden Ambrosia	10,000	Straits	Chittagong	1H Apr	Mid 20s	
Chang An 1	10,000	Straits	Chittagong	Early Apr	Low-Mid 20s	
Saehan Gloria	10,500	Kalimantan	Yangtze	Early Apr	Mid 30s	

SUNOIL

<u>VESSEL</u>	<u>QUANTITY</u>	<u>LOAD</u>	<u>DISCH</u>	<u>LAYCAN</u>	<u>RATE</u>	<u>NOTE</u>
MTM Fairfield	19,000	BSea	RSea AG India	2H Feb	\$46	1:4
UACC Manama	33,000	BSea	Iraq	Mid Feb	Low 30s	
Yukon Star	34,000	BSea	Iraq	End Feb	\$33	
NCC Sama	41,300	BSea	WCI	Mid Feb	RNR	
Tiger Tenacity	25,000	BSea	WCI	End Feb	High 30s	1:2
Mars	30,000	BSea	ECI	End Feb	Mid 40s	1:3
Maersk Belfast	27,000	BSea	ECI	Mid Feb	Low 40s	
YM Jupiter	15,000	BSea	WCI	Mid Mar	RNR	
Korsaro	24,000	BSea	WCI	Early Mar	Mid 40s	1:2
Polaris	44,000	BSea	ECI	Early Mar	Low-Mid 40s	1:2
Britta Maersk	27,000	BSea	ECI	Early Mar	Mid 40s	1:2
Verige	46,000	BSea	Chennai Krish Kakinada	Mid Mar	\$43	2:3
Atlantic Canyon	35,000	BSea	N.China	Mid Mar	RNR	

VOYAGE FIXTURES (CONT):
SOYBEAN OIL

<u>CHARTERER</u>	<u>VESSEL</u>	<u>QUANTITY</u>	<u>LOAD</u>	<u>DISCH</u>	<u>LAYCAN</u>	<u>RATE</u>	<u>NOTE</u>
Bunge/Dreyfus	Spirit	10,000	SAM	Bangladesh	End Jan	RNR	1:1
Glencore	MTM Mumbai	31,000	SAM	India Bangladesh Mauritius	Early Feb	RNR	2:2
Bunge	Tiger Harmony	9,000	SAM	India	Early Feb	RNR	
Cargill	SW Andrea Corrado	29,000	SAM	India	Mid Feb	RNR	
Dreyfus	Alpine Maya	10,000	SAM	India	End Feb	RNR	
Glencore	Stena Weco Energy	18,000	SAM	India	End Feb	RNR	

CPP/CHEMS/OTHERS

<u>VESSEL</u>	<u>QUANTITY</u>	<u>CARGO</u>	<u>LOAD</u>	<u>DISCH</u>	<u>LAYCAN</u>	<u>RATE</u>	<u>NOTE</u>
Hansa TBN	20,000	SUA	Jorf Lasfar	Dahej	2H Feb	\$36	
Navig8 TBN	7,000	BIO	ZJG + P.Gudang	ARA	Mid Mar	\$68	2:1
Great Horse TBN	20,000	SUA	Jorf Lasfar	Dahej	2H Mar	\$36	
Womar TBN	19,000	SUA	Japan	Chile	1H Apr	Low 50s	
MOL TBN	30,000	SUA	Jorf Lasfar	M.China	2H Apr	\$38	

PERIOD FIXTURES:
TCT

<u>CHARTERERS</u>	<u>VESSEL</u>	<u>DWT</u>	<u>BUILT</u>	<u>DELIVERY</u>	<u>REDELIVERY</u>	<u>LAYCAN</u>	<u>RATE</u>	<u>NOTE</u>
Stena	Tambourin	46,764	2004	Straits	Europe		\$15,500	
PIL	Silver Ebalina	49,635	2015	Singapore	RSea	1H Feb	\$15,000	
Stenabulk	Atlantic Marble	49,999	2018	Korea	Med-Cont-USA	2H Mar	\$17,000	
Stenabulk	Ardmore Engineer	49420	2014	Singapore	Rotterdam	Early Mar	\$15,000	
MTM	Eco Holmby Hills	49,703	2018	Vietnam	WMed	End Mar	\$17,000	
PIL	PTI Rhine	51,271	2007	Singapore	Med	End Mar	\$16,500	
PIL	Silver OOS	MR	-	Singapore	E Afr	2H Mar	\$12,500	
Cargill	Stena Imperator	49689	2017	Kuantan	Med Cont USA	Mid Apr	\$19,000	
Neste	NCC Rabigh	45951	2007	CJK	Cont	2H Apr	\$17,000	Failed
LDC	Alice	39316	2013	ECI	Gib	End Apr	\$13,000	

TC

<u>CHARTERERS</u>	<u>VESSEL</u>	<u>DWT</u>	<u>BUILT</u>	<u>PERIOD</u>	<u>RATE</u>
CNR	Vinjerac	52,000	2011	1+1 year	\$14,500
LDC	Star Eagle	51,202	2007	Unknown	\$16,750
LDC	Navig8 Andesine	37,596	2015	Unknown	RNR



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